

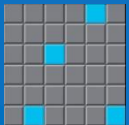
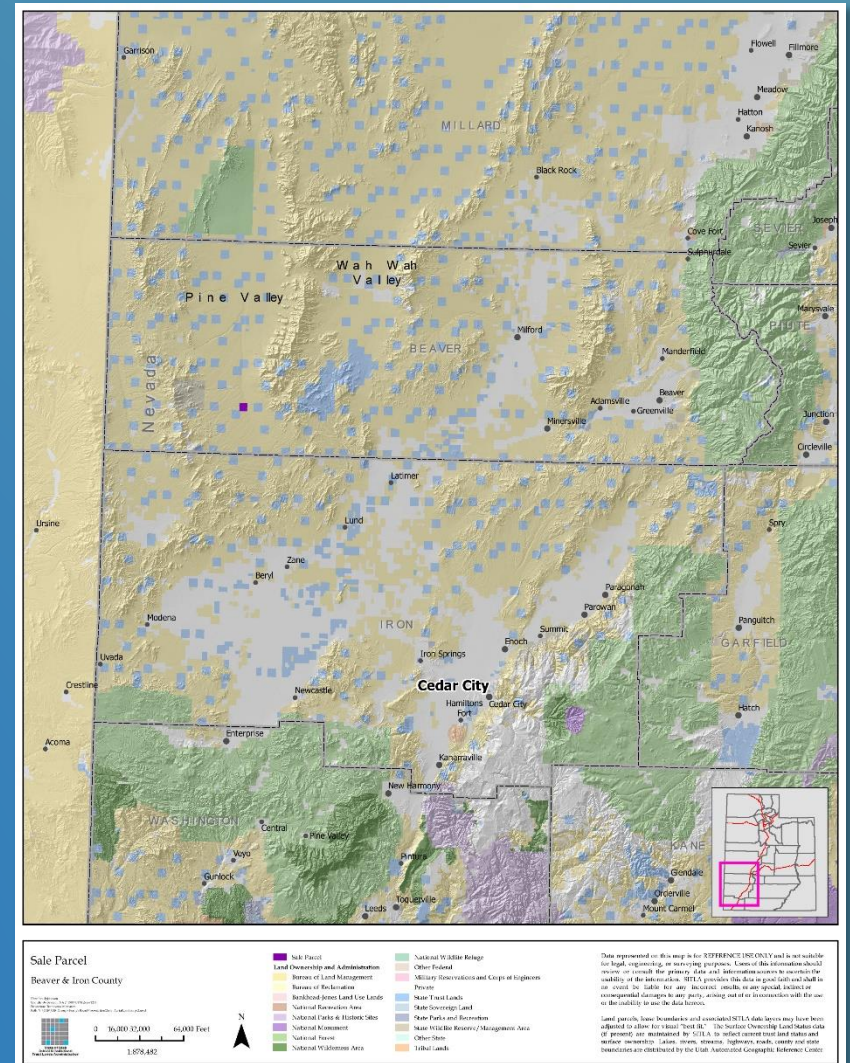
STATE OF UTAH
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

Proposed Negotiated Sale Central Iron County Water Conservancy District

Beneficiary: Schools
Beaver County

Water Rights Settlement

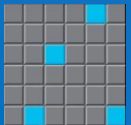
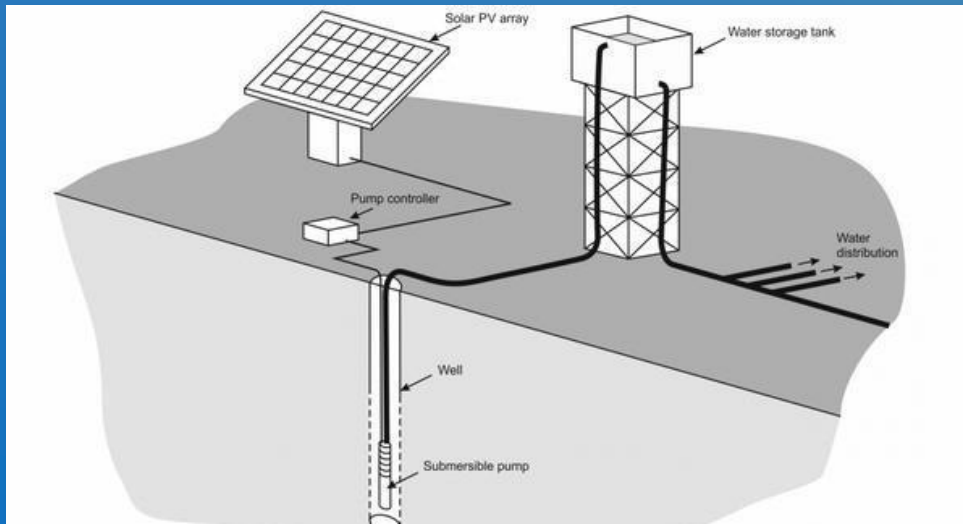
- State Engineer, SITLA, CICWCD, Beaver County, Utah Alunite Corp.
- CICWCD granted significant water rights in Pine Valley and Wah Wah Valley
- Support future growth of Cedar City
- SITLA water supply agreement with CICWCD:
 - Use of Wah Wah Valley water rights for mining purposes
 - Can use until CICWCD needs them for Cedar City
- Development of the Pine Valley water by CICWCD will prolong SITLA's use of the Wah Wah Valley water



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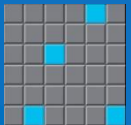
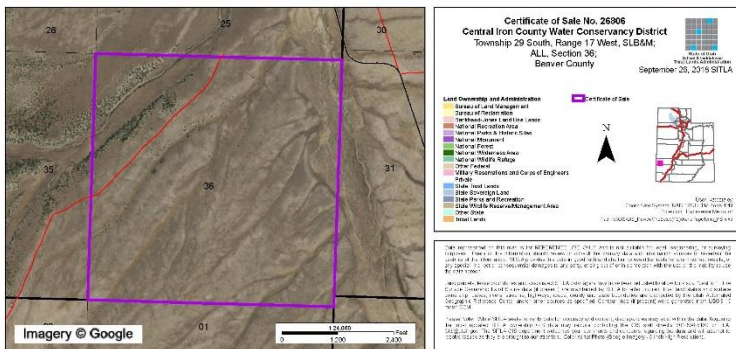
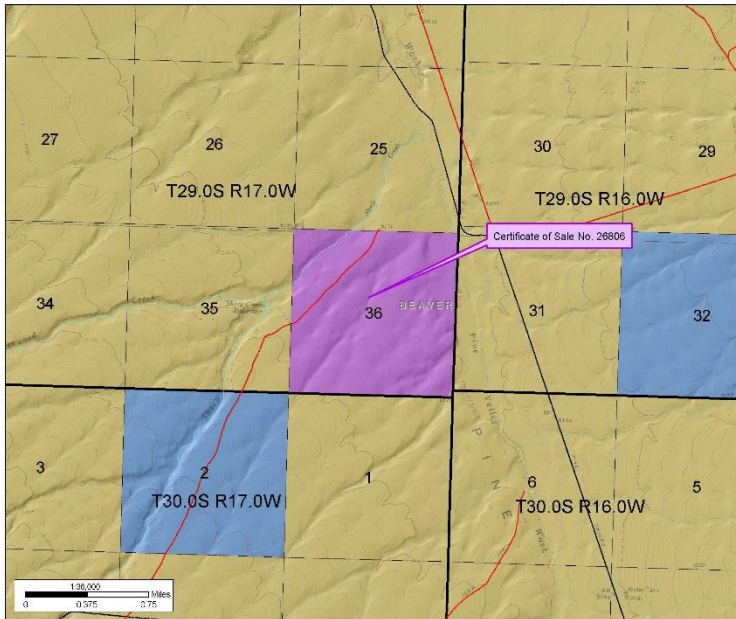
Pine Valley Water Project

- CICWCD to develop several wells & associated infrastructure over next several years
- Subject Property – wells, pipelines, solar facilities, storage tanks, headquarters
- Due to extent of planned infrastructure on the subject property, CICWCD has petitioned to purchase the property



Petitioner's Proposal

- Purchase 640.00 acres
- Appraised value: \$288,000 (\$450/ac)
- Offer: 120% of appraised value
 - \$345,600 (\$540/ac)
- Cash offer, close ASAP



STATE OF UTAH
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Sale Review/Recommendation

- Current Uses:
 - Grazing Permit – 30 AUMs, \$175/year
 - Beaver County road easement
- Advertising/notice – no competing applications
- Internal review – no conflicts identified
- Surface & Water Rights Committee
 - Favorable recommendation
- Recommendation: Accept CICWCD's offer
 - Sale Price: \$345,600
 - Payment of appraisal & cultural survey costs, sale processing fees
 - Cash transaction – no financing

